

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY CARACAS IMMEDIATE

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E.O. 11652: N/A

TAGS: BPIS, OTRA, US, VE

SUBJECT: VEN-FUEL CASE

REF: CARACAS 5696

1. TEXT APRIL 15 LETTER FOLLOWS PARA 2.

2. "DEAR MR. KISSINGER:

THE OFFICE OF THE STATE ATTORNEY, FOURTH JUDICIAL
CIRCUIT OF THE STATE OF FLORIDA, IS CURRENTLY CONDUCTING
AN INVESTIGATION INTO THE SALE OF VENEZUELAN FUEL OIL TO
THE JACKSONVILLE ELECTRIC AUTHORITY, A MUNICIPAL CORPOR-
ATION, BY VEN-FUEL, INCORPORATED, A CORPORATION DOING
BUSINESS IN CORAL GABLES, FLORIDA. THE OIL SOLD TO THE
JACKSONVILLE ELECTRIC AUTHORITY PASSED THROUGH NUMEROUS
COMPANIES IN SEVERAL FOREIGN NATIONS, INCLUDING THE
REPUBLIC OF VENEZUELA AND THE NETHERLANDS ANTILLES.
UNFORTUNATELY, THE COMPULSORY PROCEBS COMMANDED BY THE
STATE ATTORNEY IS OPERATIVE ONLY WITHIN THE STATE OF
FLORIDA. THEREFORE, TO COMPLETE ITS INVESTIGATION, THE
STATE OF FLORIDA IS IN NEED OF THE HELP OF THE STATE
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DEPARTMENT OF THE UNITED STATES.

THE PRINCIPAL CORPORATIONS INVOLVED IN THE FLOW OF OIL

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TO THE JACKSONVILLE ELECTRIC AUTHORITY ARE (1) CORPORACION VENEZOLANA DEL PETROLEO, CARACAS, VENEZUELA; (2) CORPORACION SHELL DE VENEZUELA, CARACAS, VENEZUELA; (3) SHELL CURACAO, CURACAO, NETHERLANDS ANTILLES; (4) FUELCO, LTD. HAMILTON, BERMUDA; AND (5) VEN-FUEL, INC., CORAL GABLES, FLORIDA. THE REPUBLIC OF VENEZUELA OWNS CORPORACION VENEZOLANA DEL PETROLEO, WHICH IN TURN OWNS FIFTY PERCENT OF BOTH FUELCO, LTD., AND VEN-FUEL, INC.

ANY ASSISTANCE THAT COULD BE PROVIDED BY THE STATE DEPARTMENT IN OBTAINING FROM THE GOVERNMENT OF THE REPUBLIC OF VENEZUELA TESTIMONIAL AND/OR DOCUMENTARY EVIDENCE ON THE ISSUE OF WHETHER OR NOT THE VENEZUELAN "HOST GOVERNMENT TAX" THAT WAS PAID BY THE JACKSONVILLE ELECTRIC AUTHORITY ON THE OIL RECEIVED, WAS IN FACT REMITTED TO THE REPUBLIC OF VENEZUELA BY THE ABOVE LISTED CORPORATIONS WOULD BE GREATLY APPRECIATED. SEVERAL OIL INDUSTRY PUBLICATIONS INDICATE THAT THE REPUBLIC OF VENEZUELA HAS INITIATED ITS OWN INQUIRY INTO THE AFFAIRS OF CORPORACION VENEZOLANA DEL PETROLEO, AND ITS SUBSIDIARIES VEN-FUEL, INC., AND FUELCO, LTD. PERHAPS A MUTUAL EXCHANGE OF INFORMATION MIGHT BE ARRANGED WHEREBY VENEZUELA COULD GAIN ACCESS TO EVIDENCE AND INFORMATION WITHIN FLORIDA AND THE SEVERAL STATES IN RETURN FOR PROVIDING RECIPROCAL PRIVILEGES TO UNITED STATES INVESTIGATORS.

ANY ASSISTANCE THE STATE DEPARTMENT COULD PROVIDE IN OBTAINING THE AID OF THE GOVERNMENT OF THE NETHERLANDS ANTILLES IN DETERMINING WHETHER SHELL CURACAO, ONE OF THE ABOVE LISTED CORPORATIONS, ACTUALLY REMITTED TO THE REPUBLIC OF VENEZUELA THE "HOST GOVERNMENT TAX" COLLECTED ON SHIPMENTS OF OIL SOLD BY SHELL CURACAO FOR DELIVERY TO THE JACKSONVILLE ELECTRIC AUTHORITY, WOULD LIKEWISE BE APPRECIATED.

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THE INQUIRY INTO THE DEALINGS BETWEEN THE JACKSONVILLE ELECTRIC AUTHORITY AND VEN-FUEL, INCORPORATED HAS BEN IN PROGRESS FOR CLOSE TO ONE YEAR. NOT ONLY THE STATE OF FLORIDA, BUT ALSO THE PERSONNEL AND SHAREHOLDERS OF VEN-FUEL, INCORPORATED WOULD BE GRATEFUL FOR ANY HELP THE STATE DEPARTMENT MIGHT BE ABLE TO AFFORD IN BRINGING THE INVESTIGATION TO A CLOSE.

- VERY TRULY YOURS,
- ROBERT B. PERSONS, JR.
- ASSISTANT STATE ATTORNEY"
KISSINGER

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